

## ROUTING - REQUEST

Please



READ

To

PT



HANDLE



APPROVE

and



FORWARD



RETURN



KEEP OR DISCARD



REVIEW WITH ME

Date

4-11-90

From

JMY

## Other Addressees

R. E. Conreux

J. Burroughs

J. Davis

D. Durham

File

Date: March 6, 1990

From: J. M. Grana

Subject: Waste Oil Disposal

Since July 1989 Gateway Petroleum has been unable to accept Cerro's waste oil because of the chloride content. It is believed to be related to solvent contamination. Gateway began testing every load as required by EPA. Consequently, the waste oil which was hauled away for free, now has to go to Clayton Chemical as a hazardous waste. Clayton charges \$0.50/gal for disposal and Gateway charges \$0.25/gal for transportation to Clayton, totaling \$0.75/gal. Cerro has disposed of 27,100 gallons since July.

Joe Burroughs has located an alternate disposal outlet which will significantly reduce disposal expenses. Safety-Kleen Envirosystems will pick-up Cerro's waste oil and use it in it's fuel blending operation at the Clarksville, Missouri cement kiln as a Class A fuel. I inspected this operation in the January 1989 and it is a creditable operation and is permitted by the Missouri DNR for this activity.

Below is a summary of the cost savings based on 54,200 gallons per year of waste oil generated.

	Clayton	Safety-Kleen
Unit cost for disposal	\$0.50/gal	\$0.14/gal
Unit cost for transportation	\$0.25/gal	\$350/5000 gal load
Total Cost for Disposal	\$27,100	\$7,588
Total Cost For Transportation	\$13,550	\$3,850 (11 loads)
Total Cost	\$40,650/yr	\$11,438/yr

Savings-----\$29,212/yr.

I agree with Joe Burroughs' recommendation that Cerro use Safety-Kleen for waste oil disposal. I have attached a copy of Safety-Kleen's proposal and Certificate of Insurance.

If you do not have any objections I will instruct Joe to prepare a Purchase Order for Safety Kleen.



C03682